



COMPTROLLER

OFFICE OF THE UNDER SECRETARY OF WAR

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MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP DEFENSE AGENCY AND DOW FIELD ACTIVITY DIRECTORS

SUBJECT: Publication of the Restructured Department of War Financial Management Regulation

This memorandum announces the official publication of the restructured Department of War (DoW) Financial Management Regulation (FMR). The FMR has been updated to improve usability and ensure compliance with section 1005 of the Servicemember Quality of Life and National Defense Authorization Act (NDAA) for Fiscal Year 2025. In accordance with the Secretary of War directive to accelerate operational speed, the FMR now separates high-level, authoritative policy from detailed procedures. This approach keeps core policy stable while allowing procedures to be updated more dynamically as they evolve.

The restructured FMR also includes several content updates:

- **Budget Formulation and Execution (Volumes 2 and 3).** Former Volumes 2A and 2B were consolidated into a single Volume 2. Outdated chapters were updated; guidance on budget submissions and Defense Working Capital Fund justification were improved; and policies on apportionment, transfers, reprogramming, trust funds, and resource distribution were clarified. Certain reporting-related procedures were also simplified.
- **Dormant Accounts Review-Quarterly (DAR-Q).** DAR-Q is no longer retained as a stand-alone reporting requirement. Review of dormant and current accounts remains part of daily budget operations and continues as an annual statutory requirement under 31 U.S.C. § 1554.
- **Accounting and Financial Reporting (Volumes 4 and 6).** Accounting policy was restructured to align more directly with the financial statements, and capitalization thresholds were adjusted to improve consistency and provide clearer guidance for recording, managing, and reporting financial events. Financial reporting policy was streamlined by referring users to Office of Management and Budget (OMB) Circular No. A-136 rather than restating external guidance.
- **Reimbursable Operations (Volume 11).** Former Volumes 11A and 11B were consolidated into a single Volume 11 for a streamlined baseline. The changes include clarifying structural and terminology updates related to customer orders, activity lifecycles, and supply management.
- **Special Accounts, Funds, and Programs (Volume 12).** Contingency operations guidance was streamlined, policy for international agreements and foreign contributions was refined, and reporting structures in selected areas were updated.

- **Cross-cutting changes.** Obsolete material and overlapping policies throughout the regulation were removed to improve clarity and reduce administrative burden.
- **Pending changes.** Military and Retired Pay Volumes 7A and 7B remain unchanged in this initial release. The Office of the Under Secretary of War (Comptroller) (OUSW(C)) and the Office of the Under Secretary of War for Personnel and Readiness will continue streamlining efforts consistent with NDAA requirements.

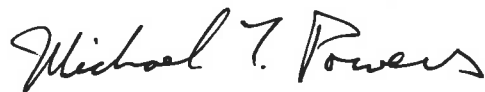
The revised FMR volumes and corresponding supplemental documents are available on the redesigned FMR websites hosted by OUSW(C) and the Defense Finance and Accounting Service (DFAS).

- DoW FMR 7000.14-R: <https://comptroller.war.gov/fmr/>
- DFAS Financial Management (FM) Supplemental Guidance: <https://www.dfas.mil/DFAS-Financial-Management-Supplemental-Guidance/>

In addition, two new Advana tools are being deployed to enhance the user experience. The FMR Management Tool will serve as the engine for continuous improvement by automatically monitoring changes in external laws and regulations (from Congress, OMB, Government Accountability Office, and other sources) and suggesting real-time updates to the FMR, helping keep policies current and audit-ready. The FM Assistant (Chatbot) is a super intelligence-powered search tool that allows users to ask questions in plain language and receive direct answers drawn from the core policy volumes, supplemental procedures, and glossary, which dramatically reduces research time.

I would like to personally extend my sincere gratitude to all staff for their tireless dedication and support throughout this restructuring effort. Without your close collaboration and commitment, this critical update could not have been accomplished.

Please contact Mr. Jonathan Campbell via osd.pentagon.ousd-c.mbx.dod-fmr-feedback@mail.mil should you have any questions.



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